

ARIZONA HOUSE OF REPRESENTATIVES  
Fifty-second Legislature - Second Regular Session

## MAJORITY CAUCUS CALENDAR #9

March 1, 2016

Sit COW Amendment Presentation on HB2502 related to Health.  
Ingrid Garvey, analyst.

Bill Number	Short Title	Committee	Date	Action
-------------	-------------	-----------	------	--------

### Committee on Appropriations

Chairman: Justin Olson, LD25

Analyst: Jennifer Thomsen

Vice Chairman: Vince Leach, LD11

Intern: Brett Galley

<a href="#">HB 2123</a>	technical correction; bulk food; applicability (APPROP S/E: corporation commission; conflict of interest)
SPONSOR:	MESNARD, LD17 HOUSE
	APPROP 2/24 DPA/SE (8-4-2-0-0) (No: FERNANDEZ,MEYER,ALSTON,MACH; Present: GRAY,CARDENAS)
<a href="#">HB 2163</a>	technical correction; regents; land funds (APPROP S/E: governor's statutory review committee)
SPONSOR:	THORPE, LD6 HOUSE
	APPROP 2/24 DPA/SE (10-3-0-1-0) (No: FERNANDEZ,MEYER,ALSTON; Abs: PETERSEN)
<a href="#">HB 2566</a>	technical correction; health services; monitoring (APPROP S/E: pawnbrokers; transaction fee prohibited)
SPONSOR:	GOWAN, LD14 HOUSE
	APPROP 2/24 DPA/SE (7-6-0-1-0) (No: FERNANDEZ,MEYER,ALSTON,ALLEN J,CARDENAS,MACH; Abs: PETERSEN)
<a href="#">HB 2599</a>	AHCCCS; provider participation; exclusions
SPONSOR:	OLSON, LD25 HOUSE
	APPROP 2/24 DPA (9-5-0-0-0) (No: FERNANDEZ,MEYER,ALSTON,CARDENAS,MACH)
<a href="#">HB 2661</a>	appropriations; payment of payment deferrals
SPONSOR:	OLSON, LD25 HOUSE
	APPROP 2/24 DPA (9-4-0-1-0) (No: FERNANDEZ,MEYER,ALSTON,MACH; Abs: PETERSEN)
<a href="#">HB 2683</a>	elderly assistance fund; county funding
SPONSOR:	OLSON, LD25 HOUSE
	APPROP 2/24 DPA (11-2-0-1-0) (No: ALLEN J,BOWERS; Abs: PETERSEN)

[HCR 2028](#) election of judges; terms  
SPONSOR: FINCHEM, LD11 HOUSE  
APPROP 2/24 DP (8-5-0-1-0)  
(No: FERNANDEZ,MEYER,ALSTON,CARDENAS,MACH; Abs:  
STEVENS)

**Committee on Banking and Financial Services**

**Chairman:** Kate Brophy McGee, LD28 **Vice Chairman:** Jeff Weninger, LD17  
**Analyst:** Paul Benny **Intern:** Jon Rudolph

[HB 2560](#) conforming changes; real estate appraisal  
SPONSOR: BROPHY MCGEE, LD28 HOUSE  
BFS 2/9 DPA (7-0-0-1-0)  
(Abs: BROPHY MCGEE)  
APPROP 2/24 DPA (12-0-0-2-0)  
(Abs: PETERSEN,UGENTI-RITA)

[HB 2592](#) nonprofit corporations; electronic voting  
SPONSOR: ACKERLEY, LD2 HOUSE  
BFS 2/16 DP (8-0-0-0-0)

**Committee on Commerce**

**Chairman:** Warren H. Petersen, LD12 **Vice Chairman:** Jill Norgaard, LD18  
**Analyst:** Diana Clay **Intern:** Kris Beecher

[HB 2613](#) regulatory boards; licensing; revisions  
SPONSOR: PETERSEN, LD12 HOUSE  
COM 2/17 DPA (5-3-0-0-0)  
(No: ESPINOZA,MACH,PLUMLEE)

[HB 2666](#) governor's economic opportunity office; consolidation  
SPONSOR: FANN, LD1 HOUSE  
COM 2/17 DPA (6-2-0-0-0)  
(No: ESPINOZA,MACH)

**Committee on Education**

**Chairman:** Paul Boyer, LD20 **Vice Chairman:** Jay Lawrence, LD23  
**Analyst:** Aaron Wonders **Intern:** Ellen Hill

[HB 2653](#) K-3 reading program; administration  
SPONSOR: NORGAARD, LD18 HOUSE  
ED 2/17 DP (7-0-0-0-0)  
APPROP 2/24 DP (12-1-0-1-0)  
(No: FERNANDEZ; Abs: PETERSEN)

[HB 2665](#) charter schools; preference; foster children  
SPONSOR: ALLEN J, LD15 HOUSE  
ED 2/17 DP (6-0-0-1-0)  
(Abs: LAWRENCE)

**Committee on Energy, Environment and Natural Resources**

**Chairman:** Franklin M. Pratt, LD8 **Vice Chairman:** Russell "Rusty" Bowers, LD25  
**Analyst:** Tom Savage **Intern:** Shirley Springer

[HB 2391](#) municipalities; water rates; requirements  
SPONSOR: BOWERS, LD25 HOUSE  
EENR 2/8 DPA (7-0-0-2-0)  
(Abs: LEACH,SALDATE)

[HB 2474](#) county floodplain regulations; mobile homes  
SPONSOR: ACKERLEY, LD2 HOUSE  
EENR 2/15 DPA (8-0-0-1-0)  
(Abs: BARTON)

#### **Committee on Elections**

**Chairman:** Michelle B. Ugenti-Rita, LD23 **Vice Chairman:** Javan D. "J.D." Mesnard, LD17  
**Analyst:** Sharon Carpenter **Intern:** Taylor McGrew

[HB 2094](#) ballots; defects; notice and cure  
SPONSOR: CLARK, LD24 HOUSE  
ELECT 2/15 DPA (6-0-0-0-0)

#### **Committee on Government and Higher Education**

**Chairman:** Bob Thorpe, LD6 **Vice Chairman:** J. Christopher Ackerley, LD2  
**Analyst:** Sharon Carpenter **Intern:** Taylor McGrew

[HB 2371](#) postsecondary education board; exceptions; continuation  
SPONSOR: ACKERLEY, LD2 HOUSE  
GHE 2/11 DP (9-0-0-0-0)

[HB 2471](#) technical correction; college savings plan  
SPONSOR: ACKERLEY, LD2 HOUSE  
GHE 2/18 DPA (5-0-0-4-0)  
(Abs: TOWNSEND,LOVAS,OLSON,LARKIN)

[HB 2591](#) civil traffic violations; alternative service  
SPONSOR: UGENTI-RITA, LD23 HOUSE  
GHE 2/18 DP (8-0-0-1-0)  
(Abs: LARKIN)

#### **Committee on Health**

**Chairman:** Heather Carter, LD15 **Vice Chairman:** Regina Cobb, LD5  
**Analyst:** Ingrid Garvey **Intern:** Alexandra Erickson

[HB 2309](#) children's health insurance program  
SPONSOR: COBB, LD5 HOUSE  
HEALTH 2/9 DPA (5-0-0-1-0)  
(Abs: BOYER)

[HB 2640](#) appropriation; pediatric neurological autoimmune disorders  
SPONSOR: CARTER, LD15 HOUSE  
HEALTH 2/16 DPA (6-0-0-0-0)  
APPROP 2/24 DP (12-0-0-2-0)  
(Abs: PETERSEN,UGENTI-RITA)

#### **Committee on Military Affairs and Public Safety**

**Chairman:** Sonny Borrelli, LD5 **Vice Chairman:** Mark Finchem, LD11  
**Analyst:** Rick Hazelton **Intern:** Thomas Lane

[HB 2398](#) bank deposits; technical correction  
(MAPS S/E: fireworks; definition)  
SPONSOR: KERN, LD20 HOUSE  
MAPS 2/18 DPA/SE (4-2-1-2-0)  
(No: ANDRADE,MACH; Abs: FARNSWORTH E,KERN; Present:  
CAMPBELL)

[HB 2621](#) veterans; state park; appropriation  
SPONSOR: LARKIN, LD30 HOUSE  
MAPS 2/18 DP (7-1-0-1-0)  
(No: FARNSWORTH E; Abs: KERN)

**Committee on Transportation and Infrastructure**

**Chairman: Rick Gray, LD21**

**Vice Chairman: David W. Stevens, LD14**

**Analyst: Amanda Barnes**

**Intern: Caitlynn Kestler**

[HB 2540](#) prohibition; photo radar  
SPONSOR: TOWNSEND, LD16 HOUSE  
TI 2/16 DP (5-4-0-0-0)  
(No: FERNANDEZ,FANN,ANDRADE,KOPEC)

[HB 2593](#) intersection; definition  
SPONSOR: ACKERLEY, LD2 HOUSE  
TI 2/16 DP (9-0-0-0-0)

**Committee on Ways and Means**

**Chairman: Darin Mitchell, LD13**

**Vice Chairman: Anthony Kern, LD20**

**Analyst: Michael Madden**

**Intern: Kaitlyn Yanes**

[HB 2536](#) fine art; TPT exemption  
SPONSOR: UGENTI-RITA, LD23 HOUSE  
WM 2/15 DPA (7-2-0-0-0)  
(No: BOLDING,WHEELER)  
APPROP 2/24 DP (12-2-0-0-0)  
(No: FERNANDEZ,MACH)

[HB 2641](#) separate charitable contributions; tax credit  
SPONSOR: BROPHY MCGEE, LD28 HOUSE  
WM 2/15 DP (8-0-1-0-0)  
(Present: BOLDING)



# HOUSE OF REPRESENTATIVES

HB 2123

technical correction; bulk food; applicability

Prime Sponsor: Representative Mesnard, LD 17

---

**DPA/SE** Committee on Appropriations

**X** Caucus and COW

House Engrossed

---

## **STRIKE-EVERYTHING SUMMARY**

The strike-everything amendment to HB 2123 applies state law pertaining to conflict of interest to Commissioners and employees of the Arizona Corporation Commission (ACC).

## **PROVISIONS**

1. Stipulates that Commissioners and employees of the ACC are subject to state law pertaining to conflict of interest (Title 38, Chapter 3, Article 8).

## **AMENDMENTS IN APPROPRIATIONS COMMITTEE**

1. Adopted the strike-everything amendment.
2. Modifies the definition of *remote interest* to add:
  - a. That of a relative who is an employee of any business entity or governmental entity that employs at least 25 employees within the state who, in the capacity as an employee, does not assert control or decision-making authority over the entity's management or budget decisions.
  - b. The ownership of any publicly traded investments held in an account or fund, including a mutual fund, managed by one or more qualified investment professionals not employed or controlled by the officer or employee, and which the officer or employee owns shares or interest together with other investors.

## **CURRENT LAW**

Title 38, Chapter 3, Article 8 provides statute pertaining to conflict of interest for state officers and employees. [A.R.S. § 38-501](#) applies the article to all public officers and employees of incorporated cities or towns, political subdivisions and the state and any of its departments, commissions, agencies, bodies or boards. The provisions of Article 8 are exclusively applicable to all officers and employees of every incorporated city or town or political subdivision or the state and any of its departments, commissions, agencies, bodies or boards and supersedes the provisions of any other such law, charter provision or ordinance. Other prohibitions in A.R.S. against any specific conflict of interests are in addition to Article 8 if consistent with the intent and provisions of the Article.



# HOUSE OF REPRESENTATIVES

HB 2163

technical correction; regents; land funds

Prime Sponsor: Representative Thorpe, LD 6

---

**W/D** Committee on Government and Higher Education

**DPA/SE** Appropriations

**X** Caucus and COW

House Engrossed

---

## **STRIKE-EVERYTHING SUMMARY**

The strike-everything amendment to HB 2163 establishes the Governor's Statutory Review Committee (Committee).

## **PROVISIONS**

1. Establishes the Committee consisting of the following members:
  - a. a member from the Senate appointed by the President of the Senate (President) to serve as a cochairperson;
  - b. a member from the House of Representatives appointed by the Speaker of the House of Representatives (Speaker) to serve as a cochairperson;
  - c. two members appointed by the Governor who represent cities and towns; and
  - d. two members appointed by the Governor who represent the business community;
  - e. one member from the public appointed by the Governor.
2. Stipulates members of the Committee will serve a one-year term.
3. Prohibits Committee members from receiving compensation except for reimbursement of expenses for travel.
4. Allows the Committee to hold hearings, take public comment, review any statute and determine whether the statute is necessary and should be amended or repealed.
5. Requires the Committee to annually submit a report of their activities and recommendations for legislative action to the Governor, President and Speaker by December 15, and provide a copy to the Secretary of State.
6. Sunsets the Committee on July 1, 2024.

## **AMENDMENT IN APPROPRIATIONS COMMITTEE**

Adopted the strike-everything amendment.

## **CURRENT LAW**

Not currently addressed in statute.



# HOUSE OF REPRESENTATIVES

## HB 2566

technical correction; health services; monitoring

Prime Sponsor: Representative Gowan, LD 14

---

**DPA/SE** Committee on Appropriations

**X** Caucus and COW

House Engrossed

---

### **STRIKE-EVERYTHING SUMMARY**

The strike-everything amendment to HB 2566 prohibits a city, town or county from imposing a fee on reportable transactions.

### **PROVISIONS**

1. Prohibits a city, town or county from imposing a fee on any pawn broker's reportable transaction.
2. Prohibits a city, town or county from imposing a fee on any transaction between a precious items dealer and a seller or cosigner if the transaction involves the purchase, trade, exchange or receipt of a precious item.
3. Contains an intent clause.
4. Makes technical changes.

### **AMENDMENT IN APPROPRIATIONS COMMITTEE**

Adopted the strike-everything amendment.

### **CURRENT LAW**

[A.R.S. § 44-1621](#) defines a *reportable transaction* as any transaction conducted by a pawnbroker in which merchandise is received through a pawn, purchase, trade or consignment.

[A.R.S. § 44-1601](#) defines a *precious item* as:

- a. Secondhand gold silver, platinum or jewelry, flatware or holloware containing gold, silver or platinum.
- b. Secondhand precious or semiprecious stones whether mounted or unmounted.
- c. Secondhand pearls.



# HOUSE OF REPRESENTATIVES

## HB 2599

AHCCCS; provider participation; exclusions

Prime Sponsor: Representative Olson, LD 25

---

**DPA** Committee on Appropriations

**X** Caucus and COW

House Engrossed

---

### OVERVIEW

Outlines grounds for exclusion from the Arizona Health Care Cost Containment System (AHCCCS) system for providers.

### PROVISIONS

1. Requires AHCCCS to exclude a provider from participating in the system and terminate the provider's agreement with AHCCCS, pursuant to federal law, for any of the following:
  - a. Conviction for a system-related crime.
  - b. Conviction related to patient abuse or neglect.
  - c. Felony conviction for health care fraud.
  - d. Felony conviction relating to controlled substances.
  - e. Termination for cause by AHCCCS under the Children's Health Insurance Program or under [Title XVIII](#) of the Social Security Act (Medicare).
2. Allows AHCCCS to exclude, in its sole discretion, a provider from participation in the system pursuant to federal law and terminate the provider's agreement with AHCCCS if the provider has done any of the following:
  - a. Submitted a claim for payment to AHCCCS for excessive charges over the allowable reimbursements.
  - b. Submitted a claim for payment to AHCCCS for medically unnecessary services or for services that failed to meet professionally recognized standards of health care.
  - c. Submitted a claim for payment to AHCCCS that the provider knew or should have known was fraudulent.
  - d. Accepted a payment kickback or engaged in another activity that is prohibited under federal law.
  - e. Submitted a claim for a provider that is controlled by a sanctioned provider.
  - f. Failed to disclose required information, supply requested information or supply payment information to AHCCCS.
  - g. Made a false statement or misrepresentation of material fact.
  - h. Failed to ensure that services or items are provided economically and only when and to the extent that is medically necessary.
  - i. Failed to ensure that a service or item was of a quality that meets professionally recognized standards of health care and was supported by evidence of medical necessity and quality.
  - j. Been found liable for neglect of a patient that results in death or injury.
  - k. Engaged in the unlawful disposal of medical waste in violation of federal, state or local law.
  - l. Submitted a claim for a procedure performed in association with an abortion in violation of federal or state law.
  - m. Failed to segregate taxpayer dollars from abortions, including the use of taxpayer dollars for any overhead expenses attributable to abortions.
  - n. Failed to comply with federal or state law requiring mandatory reporting of sexual abuse, sexual assault, child or sex trafficking or statutory rape.
3. Stipulates that the delineation of grounds of exclusion does not exclude any other basis pursuant to state law or policy determined by AHCCCS.
4. Requires AHCCCS to suspend payments to any provider that is subject of a credible allegation of fraud and against whom an investigation is pending under the system unless AHCCCS finds that good cause exists not to suspend the payments.
5. Designates the legislation the "Taxpayer Protection and Medicaid Integrity Act."
6. Contains a severability clause.



#### **AMENDMENTS IN APPROPRIATIONS COMMITTEE**

1. Deletes outlined mandatory grounds for provider exclusion and instead requires exclusion if the individual or entity meets any basis for mandatory exclusion contained in [federal law](#).
2. Allows AHCCCS to exclude an individual or entity that meets any basis for permissive exclusion contained in federal law or any act statutorily prohibited.
3. Removes submitting specified claims or accepting a payment kickback from the list of reasons for permissive exclusion.
4. Deletes requirement that AHCCCS suspend payment to any provider subject of a credible allegation of fraud and against whom an investigation is pending.
5. Requires the Director of AHCCCS to adopt rules that prescribe procedures for determining the length of exclusion, appealing the exclusion determination and requesting reinstatement.
6. Defines *exclude*.

#### **CURRENT LAW**

Not currently addressed in statute.



# HOUSE OF REPRESENTATIVES

## HB 2661

appropriations; payment of payment deferrals  
Prime Sponsor: Representative Olson, LD 25

**DPA** Committee on Appropriations

**X** Caucus and COW

House Engrossed

### OVERVIEW

HB 2661 appropriates \$116,272,770 from the state General Fund (GF) per year in Fiscal Year (FY) 2018 through FY 2027 to specified budget units for the payment of previous payment deferrals.

### PROVISIONS

1. Appropriates \$116,272,770 from the GF in FY 2018 through FY 2027 to the following budget units for the payment of prior payment deferrals.

Budget Unit	Amount
<a href="#">The Department of Education</a> (ADE)	\$93,072,770
<a href="#">Arizona State University- Tempe and Downtown Campuses</a>	\$7,476,040
<a href="#">Arizona State University- East Campus</a>	\$575,020
<a href="#">Arizona State University- West Campus</a>	\$1,006,480
<a href="#">Northern Arizona University</a>	\$3,049,480
<a href="#">The University of Arizona- Main Campus</a>	\$6,215,310
<a href="#">The University of Arizona- Health Sciences Center</a>	\$1,677,670
<a href="#">The Department of Economic Security</a> (DES)	\$2,100,000
<a href="#">The Department of Child Safety</a> (DCS)	\$1,100,000
<b>Total</b>	<b>\$116,272,770</b>

2. Contains a repeal date of October 1, 2029.

### AMENDMENTS IN APPROPRIATIONS COMMITTEE

1. Decreases the payment amounts to a total of \$58,136,390 per year.
2. Requires that the payments of specified payment

deferrals must be included in the General Appropriation Act in FY 2019 through FY 2038.

3. Extends the repeal date to October 1, 2040.

### Current Law

Not currently addressed in statute.

### ADDITIONAL INFORMATION

[The General Appropriations Act For FY 2015-2016](#) deferred \$11,000,000 in DCS payments, \$21,000,000 in DES payments, \$930,727,700 in ADE payments and \$200,000,000 in payments to the Arizona Board of Regents.



# HOUSE OF REPRESENTATIVES

HB 2683

elderly assistance fund; county funding

Prime Sponsor: Representative Olson, LD 25

---

**DPA** Committee on Appropriations

**X** Caucus and COW

House Engrossed

---

## OVERVIEW

HB 2683 provides a funding mechanism for the Elderly Assistance Fund (Fund) for each Fiscal Year (FY).

## PROVISIONS

1. Requires the board of supervisors to restore monies transferred from the Fund that were not used for the Elderly Assistance Program (Program) if the Fund balance will be exhausted in any FY.
2. Directs the Legislature to appropriate \$2,500,000 to the Fund after all original and replenishment balances have been exhausted.
3. Makes conforming changes.

## AMENDMENT IN APPROPRIATIONS COMMITTEE

Makes a conforming change.

## CURRENT LAW

[A.R.S. § 42-17401](#) establishes the Fund and directs the monies to be used to proportionately reduce the primary school district taxes that are levied against the property of all *qualified individuals*. These individuals must live in an organized school district and be approved for the property valuation protection in order to receive monies from the Fund.

## ADDITIONAL INFORMATION

[Maricopa County](#) is currently the only county required by statute to provide an Elderly Assistance Program.



# HOUSE OF REPRESENTATIVES

## HCR2028

election of judges; terms

Prime Sponsor: Representative Finchem, LD 11

---

<b>W/D</b>	Committee on Judiciary
<b>DP</b>	Committee on Appropriations
<b>X</b>	Caucus and COW
House Engrossed	

---

### OVERVIEW

HCR 2028 replaces the merit selection of judges with non-partisan elections.

### PROVISIONS

1. Requires Supreme Court justices to be nominated and elected by the qualified electors of the state at large in the same manner as other nonpartisan elections.
2. Mandates that the names of all candidates for Supreme Court justice be placed on the regular ballot without partisan or other designation except the court and the title of office.
3. Reduces the term of office for Supreme Court justices from 6 years to 4 years.
4. Requires the election for Supreme Court justices to only occur in years that do not have a presidential election and the election for Superior Court judges must only occur in years that have a presidential election.
5. Authorizes the Governor to fill any vacancy in office by appointing a person to serve until the election and qualification of a successor.
6. Repeals the following sections of Article 6 of the Arizona Constitution if approved by the voters and on proclamation of the Governor:
  - a. Section 36 relating to the commission on appellate court appointments;
  - b. Section 37 relating to judicial vacancies and appointments;
  - c. Section 38 relating to the declaration of candidacy to be retained in office;
  - d. Section 40 relating to the option of certain counties in selecting judges;
  - e. Section 41 relating to the commission on trial court appointments; and
  - f. Section 42 relating to retention evaluation of justices and judges.
7. Replaces the Commission on Appellate Court Appointments with the Legislature, by joint resolution, for the purposes of nominating candidates for appointment to the Independent Redistricting Commission.
8. Makes technical and conforming changes.

### CURRENT LAW

Currently under [A.R.S § 12-101](#), Supreme Court justices are elected to serve a six year term.

[A.R.S § 12-120.01](#) states that a judge for the Court of Appeals is appointed by the Governor and serves an initial term of six years, however they must be elected for retention, pursuant to [A.R.S § 12-120.02](#).

[Article 6, Section 36](#) of the Arizona State Constitution contains the duties and responsibilities of the Commission on Appellate Court Appointments.

### ADDITIONAL INFORMATION

In 1974, Arizona voters amended the Arizona Constitution to provide for the selection of judges through the merit selection system rather than by popular election. The Arizona constitution requires the merit selection system to be used to select Superior Court and Appellate Court judges in counties with a population greater than 250,000. When a county's population exceeds 250,000, that county

automatically enters into merit selection. Currently, Superior Court judges and Appellate Court judges are subject to nonpartisan elections in all the counties except Maricopa, Pima and Pinal.

In 1992, the Judicial Performance Review Commission was formed due to a ballot initiative, Prop 109, and is responsible for developing performance standards and conducting performance reviews of justices and judges who are merit selected and subject to retention elections. Judicial performance reviews are conducted twice during a judge's term, once at midterm and once at the end of the term just before the general election. The review is a two-part process that consists of data collection and reporting, and a self-evaluation and improvement. Survey forms are distributed to people who have contact with the judges such as attorneys, jurors, litigants and court staff. The Commission holds public hearings every election year and accepts written comments from the public at any time. Judges also complete self-evaluations to rate their own performance.



# HOUSE OF REPRESENTATIVES

## HB 2560

conforming changes; real estate appraisal

Prime Sponsor: Representative Brophy McGee, LD 28

---

**DPA** Committee on Banking and Financial Services

**DPA** Committee on Appropriations

**X** Caucus and COW

House Engrossed

---

### OVERVIEW

HB 2560 transfers the licensing, certification, and regulation of appraisers, property tax agents, and appraisal management companies to the Department of Financial Institutions (DFI).

### PROVISIONS

1. Replaces the term *board* with *superintendent*.
2. Directs the superintendent to:
  - a. Establish administrative procedures for processing applications for licenses and certificates.
  - b. Receive applications for state licenses and certificates.
  - c. Maintain a registry of the names and addresses of people who are registered, licensed, or certified as an appraiser.
  - d. Retain records and all application materials submitted to the superintendent.
  - e. Publish on the department's website a current list of supervisory and registered trainee appraisers.
3. Repeals the Board of Appraisal Fund and transfers any unexpended and unencumbered monies to the state General Fund.
4. Asserts all documents related to a complaint are confidential.
5. Requires an applicant for licensure or certification to apply for a valid fingerprint clearance card.
6. Makes technical and conforming changes.

### AMENDMENTS BY BANKING AND FINANCIAL SERVICES COMMITTEE

1. Adds that a person who owns or is the controlling person of an appraisal management company is required to apply for, rather than obtain, a valid fingerprint clearance card.

### AMENDMENTS BY APPROPRIATIONS COMMITTEE

1. Establishes the Appraisal Subcommittee Fund consisting of monies collected from a national registry fee.
2. Redirects monies collected from civil penalties and court costs to DFI's Revolving Fund.

### ADDITIONAL INFORMATION

Laws 2015, Chapter 19, established the State Board of Appraisal as a division within the Department of Financial Institutions and transferred the powers and duties to the superintendent.



# HOUSE OF REPRESENTATIVES

## HB 2592

nonprofit corporations; electronic voting

Prime Sponsor: Representative Ackerley, LD 2

---

**DP** Committee on Banking and Financial Services

**X** Caucus and COW

House Engrossed

---

### OVERVIEW

HB 2592 allows a written ballot to be delivered to the members of a non-profit corporation through an online voting system.

### PROVISIONS

1. Authorizes a written ballot to be delivered through an online voting system to the members of a non-profit corporation provided that a notice is sent to members stating the vote will be conducted by electronic means.
2. Requires the online voting system to do all of the following:
  - a. Verify the member's identity.
  - b. Verify the validity of each electronic vote.
  - c. Transmit a receipt to each member who casts an electronic vote.
  - d. Store electronic votes for recount, inspection and review purposes.

### CURRENT LAW

Pursuant to [A.R.S. § 10-3708](#), members of a non-profit organization may take action without a meeting if the corporation delivers a written ballot to every member entitled to vote on an issue. The written ballot must set forth and provide an opportunity to vote for or against each proposed action.

In order for a proposed issue to be approved by a written ballot: 1) the number of votes cast by ballot must equal or exceed the quorum required to be present at a meeting authorizing the action, and 2) the number of approvals must equal or exceed the number of votes needed to approve the proposed issue at a meeting.



# HOUSE OF REPRESENTATIVES

HB 2613

regulatory boards; licensing; revisions

Prime Sponsor: Representative Petersen, LD 12

---

**DPA** Committee on Commerce

**X** Caucus and COW

House Engrossed

---

## OVERVIEW

HB 2613 eliminates several occupational licenses and the related statutes. Requires a cost benefit analysis and feasibility report concerning the transfer of all nonhealth regulatory boards to a new division within the Arizona Department of Administration (ADOA).

## PROVISIONS

### *Board of Technical Registration (BTR)*

1. Eliminates BTR-licensing and the related statutory language for *geologists, geologists-in-training, geological practice, assayers, assayers-in-training, assaying practice, landscape architects, landscape architects-in-training and landscape architectural practice*.
2. Confirms the lawful use of titles and other insignia that reflect professional services. Explains the restrictions on the use of *professional geologists* and *professional landscape architects* and the related services. The person must have a valid certificate of qualification issued by a national bureau of registration or certification or a degree from an accredited institution in the appropriate field.
3. Changes the make-up of the BTR by eliminating the *landscape architect* and *geologist/assayer* positions and replaces each with a public member.
4. Retains the current BTR board members' positions until their terms expire and authorizes the Governor to make future appointments.
5. Removes the requirement for the State Geologist to be registered by the BTR.

### *Board of Funeral Directors and Embalmers*

6. Repeals the laws relating to *cremationists* and places the responsibilities with the funeral directors.

### *Board of Athletic Training (Board)*

7. Repeals the current Athletic Training Board, all licensing and regulation.
8. Authorizes a person to practice athletic training in Arizona if the person practices under an appropriately licensed physician and is certified by a nationally accredited program.
9. Transfers the unexpended and unencumbered monies remaining in the Athletic Training Fund to the state General Fund upon passage of this legislation.

### *Miscellaneous*

10. Eliminates licensing and the related statutes for *citrus fruit packer and fruit and vegetable packer* licenses.
11. Removes the requirement for instructors of professional driver training schools to be licensed and to take an examination.
12. Directs ADOA to conduct a cost/benefit study regarding the transfer of all nonhealth related boards to a new licensing and regulatory division within their agency. Requires ADOA to submit a report to the Governor, Legislature and submit a copy to the Secretary of State by October 1, 2016.
13. Contains a Proposition 105 clause relating to the *Smoke-free Arizona Act*, which requires an affirmative three-fourths vote of each house of the Legislature for this section to become law.
14. Makes numerous technical and conforming changes.

## AMENDMENTS IN COMMERCE COMMITTEE

1. Eliminates *athletic trainers* from the provisions of the bill, thus placing them back under the regulatory authority of the BTR.
2. Exempts yoga instructors and training materials or programs from the requirement to obtain a Private Vocational Program license.
3. Defines a *professional geologist* and stipulates the requirements for the state geologist.

## CURRENT LAW



The BTR currently consists of the following professions: architects; assayers; engineers; geologists; home inspectors; landscape architects and surveyors. The nine-member board is appointed by the Governor to serve three-year terms. ([A.R.S. § 32-102](#))

The Arizona Geological Survey is located near the University of Arizona. The Governor appoints the State Geologist, who is registered by BTR, and who has the education and research experience necessary to lead the agency. ([A.R.S. § 27-102](#))

The State Board of Funeral Directors and Embalmers consists of licensed individuals and business establishments, including the funeral directors, embalmers, crematories, cremationists and their various assistants. The seven-member board is appointed by the Governor and confirmed by the Senate to serve four-year terms. ([A.R.S. § 32-1302](#))

The five-member Board of Athletic Training is appointed by the Governor to serve five-year terms. *Athletic training* includes various prevention, evaluation, care and monitoring of athletic injuries by students and trainers under the direction of a licensed physician. The executive director of the Board of Occupational Therapy Examiners serves as the executive director of the Board of Athletic Training. Both boards jointly select an executive director. ([A.R.S. § 32-4103](#))

[A.R.S. § 32-2372](#) defines a *professional driver training school* as a business that educates and trains people to drive commercial motor vehicles, prepares them for an examination given by the state for a commercial driver license or instruction permit and charges a fee or tuition for the services. Currently, the director of the Arizona Department of Transportation or an authorized representative inspects the school facilities and equipment, issues licenses to the instructors and conducts examinations of applicants for instructor's licenses.



# HOUSE OF REPRESENTATIVES

HB 2666

governor's economic opportunity office; consolidation

Prime Sponsor: Representative Fann, LD 1

**DPA** Committee on Commerce  
**W/D** Committee on Appropriations  
**X** Caucus and COW

House Engrossed

## OVERVIEW

HB 2666 establishes the Governor's Economic Opportunity Office (GEOO) and modifies several existing agency programs, policies and funds. Prescribes GEOO as the designated office for Arizona's workforce, employment, education, economic development and labor market information and programs.

## PROVISIONS

### *Governor's Economic Opportunity Office (GEOO)*

1. Creates GEOO, whose director is appointed by the Governor, confirmed by the Senate and responsible for GEOO's operation and control.
2. Asserts the Legislature's establishment of GEOO to encourage economic growth and development and promote prosperity by developing and protecting Arizona business, industry and commerce.
3. Directs GEOO to administer the *Operations Fund*, which consists of various securities and filing fees. Monies in the fund are continuously appropriated.
4. Creates an *Economic Development Fund* administered by GEOO, which consists of monies received from the *Arizona Industrial Development Authority* (IDA) and the *Arizona Finance Authority* (AFA). Transfers any unencumbered monies in excess of operating costs from the IDA to this fund at the end of each fiscal year.
5. Outlines GEOO powers and duties that include:
  - a. Monitoring the tax structure in comparison to other states and municipalities, assessing the incentive programs and supporting the *Arizona Commerce Authority* (ACA) in administering the incentives.
  - b. Implementing a data collection and analysis process to benchmark Arizona's regulatory costs to do business as well as the state's competitive position in relation to other states.
  - c. Serving as the state's workforce planning coordinator, staffing the *Workforce Arizona Council*, providing population, employment and UI estimates and labor market information to develop the state workforce strategy.
  - d. Supporting the AFA and its director to incorporate finance marketing intelligence in economic development and policy recommendations.
  - e. Developing pertinent data, analysis and support for the ACA, the *Arizona-Mexico Commission* and the *Office of Tourism* in their state marketing strategies.
  - f. Contracting and incurring obligations reasonably necessary to perform its duties.
  - g. Using monies or services to provide matching contributions under federal or other lawful programs, accepting gifts, grants and matching monies from public or private persons or enterprises to conduct programs consistent with GEOO's general objectives.
  - h. Providing staff support to a newly established IDA.
6. Terminates GEOO on July 1, 2026 and repeals the related statutes on January 1, 2027, if there are no outstanding contractual obligations or debts, or the agency must have otherwise provided for payments. If not, the agency continues until all debt obligations are fully paid or satisfied.

### *Arizona Finance Authority*

7. Creates the AFA in GEOO and requires the Governor to appoint a Director.

8. Establishes the *Operations Fund* and requires monies to be continuously appropriated. Consists of monies, pledges and property through appropriations, loans or gifts.
9. Deems monies held by the *Greater Arizona Development Authority* (GADA), *Water Infrastructure Finance Authority* (WIFA) or any other fund managed by the AFA as assets.
10. Holds the state harmless for any obligation incurred by the AFA and exempts the AFA and its income from all state taxes.
11. Stipulates all costs and expenses will be paid from bond proceeds issued by an IDA or other monies of the AFA, including GADA's and WIFA's.
12. At the end of each fiscal year, transfers all unencumbered monies in the fund in excess of the operating costs to the *Economic Development Fund*.

#### ***AFA – Board Members, Meetings and Duties***

13. Creates a five-member Board appointed by the Governor to three-year terms, with geographically diverse representation.
14. Requires Board rules to provide for annual meetings and special meetings as necessary. Audioconference or videoconference meetings are permissible, but votes must be by roll call.
15. Permits members to be reimbursed for necessary expenses in performing their duties.
16. Prohibits members from having any direct or indirect personal financial interest in a project financed by the AFA.
17. Requires the AFA Board to establish an IDA and serve as its Board as well as the Board of GADA and WIFA.
18. Directs the AFA Board to approve the AFA budget.

#### ***AFA – Powers and Duties***

19. Outlines the AFA powers and duties, including the ability to:
  - a. Apply for, accept and administer grants of monies, materials or property from a federal agency or others.
  - b. Acquire title to real property or other assets through gifts, grants or purchase.
  - c. Employ or contract with various experts and decide their compensation.
  - d. Decide the AFA Director's salary, compensation and other employee-related expenses.
  - e. Sue and be sued, acquire office and meeting space, equipment and other necessary services and supplies.
  - f. Contract, act as guarantor or coinsure with federal, state or local governmental authorities, organizations or corporations in connection with AFA activities.
  - g. Adopt bylaws and related administrative rules to carry out the functions of the agency.
  - h. Inspect any AFA-financed facility and examine pertinent records.

#### ***AFA – Allocation of Private Activity Bonding Authority***

20. Changes the Arizona Commerce Authority (ACA) to the AFA for purposes of bonding authority and requires the Board to establish rules for the program.
21. Delegates to the AFA, all responsibility for the bond volume cap allocation process on the effective date of this legislation.
22. Strikes the allocation percentages process and instead allows the Board to adopt a policy, after receiving input from affected industries and based on Arizona's economic needs.
23. Prohibits a confirmation of an allocation to a project for greater than \$35 million, unless approved in the sole discretion of the AFA Director.
24. Prescribes a nonrefundable confirmation fee that is set by the AFA Board by rule, rather than the current \$320 per \$1 million for which a confirmation is issued.
25. Contains a delayed repeal date of January 1, 2017, for confirmations made in late December and special allocations for mortgage revenue bonds and mortgage credit certificates.

#### ***Workforce Arizona Council***

26. Replaces the *Governor's Council on Workforce Policy* with the *Workforce Arizona Council*.
27. Establishes the Council by executive order of the Governor to develop, implement and modify the workforce plan, review state policies and programs and make recommendations to the Governor as outlined.

28. Requires the Council to develop allocation formulas to distribute monies for employment and training activities for adults and youth workforce activities.
29. Details the information and data that must be gathered, including the levels of performance, number of individuals served, barriers to employment, and average cost per participant.

#### ***Workforce Data Task Force***

30. Establishes a five-member *Workforce Data Task Force* within GEOO to oversee workforce system evaluation data sharing.
31. Details the duties to oversee, develop, maintain and regularly review the methodologies used for data collection, retention, distribution and storage.
32. Specifies that a report is due by November 1, 2016 to the Governor, Legislature and the Secretary of State.
33. Sunsets the Task Force on July 1, 2024.

#### ***Department of Economic Security (DES) – Unemployment Insurance***

34. Authorizes DES or GEOO to release UI information to:
  - a. Any federal, state or local governmental entity investigating fraud in public programs or the misuse of public monies.
  - b. Internal divisions within DES, the Department of Education (ADE), the universities, community colleges, federal and state agencies to evaluate program performance and for other research or lawful disclosure requirements.
35. Outlines requirements for information release, including confirmation of confidentiality.
36. States that all pertinent parties, including the *Workforce Data Task Force*, will establish a rate schedule that complies with federal law for the cost of processing requests for disclosure of UI information.
37. Assesses a class 3 misdemeanor for knowingly disclosing confidential UI information without prior written authorization from either DES or GEOO.
38. Requires any security breach or unauthorized disclosure of confidential information to be reported immediately to both DES and GEOO.

#### ***Repeals***

39. Delays the repeal of the *Arizona Housing Finance Authority* (AzHFA) until January 1, 2017.
40. Repeals the sunset dates and related statutes for the *Arizona Health Facilities Authority* (AHFA), the *Arizona International Development Authority* and the *Water Infrastructure Finance Authority* (WIFA).

#### ***Miscellaneous***

41. Incorporates the ADOA *Office of Employment and Population Statistics* into GEOO and conforms the language throughout the various statutes.
42. At the end of each fiscal year, asserts that the IDA must transfer all unencumbered monies in excess of the operating costs to the GEOO Fund.
43. Beginning July 1, 2017, allocates 30% of the *Arizona Competes Fund* monies to programs for rural and small businesses if all requirements are met.
44. Continues the *Arizona Competes Fund* until July 1, 2018.
45. By October 1, 2016, requires DES to enter into a memorandum of understanding (MOU) with GEOO to evaluate workforce and education programs, develop labor market information and recognize GEOO as Arizona's designated office for UI data information. The MOU must include specifics for quarterly reports and assurance that the initial transmission will include all archived data.
46. Submits to GEOO for record retention purposes, all workforce evaluation system research products. All research products without personally identifiable information will be made available to the public, and the Secretary of State must maintain the information long term.
47. Directs all pertinent entities (DES, ADE, GEOO) to notify applicants for employment and participants in the *Workforce Innovation and Opportunity Act Programs* that data may be used to evaluate program effectiveness and to conduct labor market research.
48. Stipulates that *research products* include the statistical analysis and reports that are produced by state entities using UI information.

49. On the effective date of this legislation, transfers a prorated sum of \$568,700, plus any related appropriation in FY 2017, from the GF operating lump sum appropriation for ADOA to GEOO. Exempts the monies from lapsing.
50. Preserves the rulemaking authority of DES and the ACA with regard to the Act until GEOO adopts administrative rules. Exempts GEOO and the AFA from rulemaking requirements for one year after the effective date of this legislation.
51. Transfers all unexpended and unencumbered monies remaining in the *Arizona International Development Authority fund*, and other monies or bank accounts associated with the *Arizona Health Facilities Authority*, the *Arizona Housing Finance Authority* and the *International Transportation and Port Infrastructure Development* to the IDA.
52. Stipulates that the IDA succeeds to the authority, powers, duties and responsibilities of the *Arizona Health Facilities Authority*, the *Arizona Housing Finance Authority*, and the *Arizona International Development Authority*, including the transfer of FTEs and personnel to comparable positions and pay within the IDA.
53. States that all obligations and actions taken before the effective date of this legislation remain in force and that certificates, licenses, registrations, permits and other qualifications and authority remain valid for the duration of their terms.
54. Requires the Director of ADOA to determine and allocate transfers consistent with the requirements of this legislation.

#### **AMENDMENTS IN COMMERCE COMMITTEE**

1. Clarifies confidentiality and disclosure of information.
2. Rewrites the provision in the bill relating to the 30% rural and small business economic development grant allocations.
3. Adds an emergency clause.

#### **CURRENT LAW**

The [Arizona Commerce Authority](#) (ACA) is the state's economic development organization, with a mission to grow and strengthen the economy. The ACA uses the following model to advance the economy: recruit, grow, create – “*recruit* out-of-state companies to expand their operations in Arizona; work with existing companies to *grow* their business in Arizona and beyond; and partner with entrepreneurs and companies large and small to *create* new jobs and businesses in targeted industries.” A board of directors consisting of public and private sector business, professional and elected policy leaders provides direction to the ACA. The financial entity through which the ACA administers grants is the [Arizona Competes Fund](#) (ACF). [A.R.S. § 41-1545.02](#) permits the ACF to award grants to attract, expand or retain businesses in Arizona. Preference must be given to job training and infrastructure activities that create private sector jobs. Further, the statutes authorize projects that support and advance rural and small businesses and economic development. Applicants must be in good standing on all necessary licenses and taxes, qualify as an Arizona basic industry, pay compensation that exceeds the median county wage and pay at least 65% of the employees' premium for health insurance. Additionally, applicants prove through third party verification that estimated income, property and TPT plus government fee revenues will exceed the state incentives. Before awarding grants, the ACA details the benefits, including the direct economic impact of the grants. [A.R.S. § 41-1545.04](#) requires an annual report outlining the ACF's activities, including a summary of the direct jobs and economic impact of the awards.



# HOUSE OF REPRESENTATIVES

## HB 2653

K-3 reading program; administration

Prime Sponsor: Representative Norgaard, LD 18

---

<b>DP</b>	Committee on Education
<b>DP</b>	Committee on Appropriations
<b>X</b>	Caucus and COW

House Engrossed

---

### OVERVIEW

HB 2653 modifies the administration of the K-3 Reading Program.

### PROVISIONS

1. Requires the Arizona Department of Education (ADE) to administer the K-3 Reading Program, rather than the Arizona State Board of Education (SBE).
2. Requires each eligible school district and charter school to submit its K-3 reading education plan to ADE rather than all school districts and charter schools.
3. Permits *A* and *B* school districts and charter schools to biennially submit K-3 Reading Program plans to ADE, beginning in Fiscal Year 2017.
4. Requires ADE to review and recommend for approval K-3 Reading Program plans prior to the school district or charter school receiving K-3 Reading monies.
5. Permits SBE to establish rules and policies for the K-3 Reading Program including:
  - a. The proper use of monies.
  - b. The distribution of monies by ADE.
  - c. The compliance of reading proficiency plans.
6. Contains an emergency clause.
7. Makes technical and conforming changes.

### CURRENT LAW

[A.R.S. § 15-211](#) requires SBE, in collaboration with ADE, to establish a K-3 Reading Program to improve reading proficiency in grades K-3. School districts and charter schools are required to submit an education plan to SBE for improving reading proficiency in grades K-3 that must include baseline data and a budget for spending monies from the K-3 Reading Support Level weight and K-3 Support Level Weight. Additionally, school districts and charter schools are required to annually submit an updated plan by October 1 on program expenditures and results. Each school district and charter school that it assigned a letter grade of *C*, *D* or *F* or has more than 10% of grade 3 students falling far below the third grade reading level on the statewide assessment is eligible to receive K-3 Reading Support Level Weight monies after its plan is approved by SBE.



# HOUSE OF REPRESENTATIVES

## HB 2665

charter schools; preference; foster children

Prime Sponsor: Representative Allen J, LD 15

---

<b>DP</b>	Committee on Education
<b>W/D</b>	Committee on Appropriations
<b>X</b>	Caucus and COW

House Engrossed

---

### OVERVIEW

HB 2665 establishes the Foster Youth Education Success Program (Program).

### PROVISIONS

1. Requires charter schools to give enrollment preference to children in foster care or who meet the definition of unaccompanied youth and requires school districts to give preference to children in foster care.
2. Establishes the Program in the Governor's Office
3. Establishes the Foster Youth Education Success Fund (Fund) consisting of appropriated monies and monies received from lawful public or private sources.
  - a. Directs the Governor's Office to administer the Fund.
  - b. Determines monies in the Fund to be continuously appropriated and not revert to the state General Fund.
  - c. Permits the Governor's Office to accept and spend local, state and federal monies and private grants, gifts, devises and contributions.
4. Instructs the Governor's Office to establish policies and procedures, selection criteria and minimum performance standards for service providers that wish to participate in the Program.
5. Requires a selected service provider to contract with a 501(c)(3) nonprofit organization that provides the following programmatic components:
  - a. A partnership with local agencies, child welfare and judicial agencies to implement a continuous cycle of data-driven interventions for children in foster care.
  - b. Identification and support of an education champion who is informed of the rights and responsibilities of children in foster care paired with an education coach to increase capacity to support educational success.
  - c. Development and monitoring of an education team.
  - d. A customized education plan for each child in foster care based on individual strengths and needs that uses a research-based tool.
6. Requires a selected service provider to annually submit a report by December 15 to the Governor, President of the Senate and Speaker of the House of Representatives and submit a copy to the Secretary of State that includes an evaluation of the effectiveness of the Program, demographic information and academic outcomes.
7. Sunsets the Program on July 1, 2026.
8. Appropriates \$1 million in Fiscal Year (FY) 2017 from the GF to the Governor's Office to be deposited in the Fund.
9. Appropriates \$500,000 in FY 2017 from the GF to the Governor's Office to be deposited in Fund and to be spent when matching monies from sources other than the state are deposited in the Fund.
10. Permits monies from public sources other than the state, gifts, grants and donations to be spent as they are collected and requires the Governor's Office to report the accounting of the Program to the Joint Legislative Budget Committee to determine qualifications for state match.
11. Determines the GF appropriations to be non-lapsing.

## **CURRENT LAW**

The [McKinney-Vento Homeless Assistance Act](#) is a federal law to ensure that homeless youth have equal access to education and other services in order for the children to meet state student academic achievement standards and provides federal money to states for homeless shelters and programs. *Unaccompanied youth* is defined in the McKinney-Vento Homeless Assistance Act to include a youth not in the physical custody of a parent or guardian.

Currently charter schools are required to enroll all eligible students unless the number of applicants exceeds capacity ([A.R.S. § 15-184](#)). If there is not enough capacity left to enroll students, the charter is required to select through an equitable selection process such as a lottery. Enrollment preference is automatically granted to students returning to the school as well as siblings of students selected through the lottery process. Preference may also be given to children or grandchildren of school employees, charter holder employees, members of the governing body or administrators of the charter holder. School districts are permitted, for open enrollment purposes, to give enrollment preference to and reserve capacity students who are children of employees of the school district ([A.R.S. § 15-816.01](#)).





# HOUSE OF REPRESENTATIVES

## HB 2391

municipalities; water rates; requirements

Prime Sponsor: Representative Bowers, LD 25

---

**DPA** Committee on Energy, Environment and Natural Resources

**X** Caucus and COW

House Engrossed

---

### OVERVIEW

HB 2391 prohibits a fee or charge from being assessed or collected for covering a municipality's cost of purchasing or acquiring a wastewater or drinking water corporation or business, requires development fees to be assessed in compliance with statute and requires a cash flow analysis to be included in a report supporting the rate or fee increase.

### PROVISIONS

1. Requires a municipality that proposes to increase wastewater or drinking water rates, fees or charges to include a cash flow analysis in the written report or supporting data indicating anticipated revenues and expenses for providing these services.
  - a. Current law requires a municipality to prepare a written report or supply data to support the increase in rates, fees or charges ([A.R.S. § 9-511.01](#)).
2. Requires the report and cash flow analysis to be posted on the municipality's website or the website of an association of cities and towns if the municipality does not have a website.
  - a. Current law requires the report to be filed with the city or town clerk 30 days prior to the public hearing on the proposed increase.
3. Specifies that a public hearing is to be held at least 90 days, rather than 30 days, after the adoption of the notice of intent to increase wastewater or drinking water rates or fees.
4. Requires any wastewater or drinking water rate, rate component, fee or service charge assessed to fund new infrastructure or capital improvements to be in compliance with [A.R.S. § 9-463.05](#) regarding assessment of development fees.
5. Stipulates that every fee or service charge must be attributable to and defray or cover the expense of service for which the fee or service charge is assessed.
6. Prohibits a fee or charge from being assessed or collected for defraying or covering the municipality's cost of purchasing or acquiring a wastewater or drinking water corporation or business.

### CURRENT LAW

[A.R.S. § 9-463.05](#) allows municipalities to assess development fees to offset costs associated with providing necessary public services to a development. Statute prohibits development fees from exceeding a proportionate share of the cost of necessary public services needed to provide service to the development. In addition, the development fees may not be used for construction, acquisition or expansion of facilities or assets other than necessary public services or facility expansions identified in an infrastructure improvement plan, among other prohibited uses.

### AMENDMENTS IN ENERGY, ENVIRONMENT AND NATURAL RESOURCES

1. Requires the report or supporting data for increased wastewater and drinking water rates to include cash flow projections indicating anticipated revenues from residential and nonresidential customers and the overall expenses for providing these services.
2. Reduces the notice of intent to increase rates or fees from 90 to 60 days.
3. Requires any fees assessed to new customers or landowners to fund new necessary public services to be in compliance with the development fee statutes ([A.R.S. § 9-463.05](#)).
4. Stipulates that every fee or service charge must recover the reasonable and necessary costs of providing the service for which the fee or service charge is assessed.

5. Prohibits a municipality from collecting fees or service charges for recovering the costs of acquiring a utility plant, facilities, system or other property of a public service corporation or another municipality engaged in the business of providing wastewater and drinking water services.



# HOUSE OF REPRESENTATIVES

## HB 2474

county floodplain regulations; mobile homes

Prime Sponsor: Representative Ackerley, LD 2

---

**DPA** Committee on Energy, Environment and Natural Resources

**X** Caucus and COW

House Engrossed

---

### OVERVIEW

HB 2474 allows mobile homes located in a mobile home park or subdivision in a floodplain to be replaced by another mobile home under certain conditions.

### PROVISIONS

1. Allows mobile homes in a mobile home park or subdivision in a floodplain to be replaced by another mobile home if:
  - a. No mobile home in the park or subdivision sustained damage to more than 50% of its value before the flood;
  - b. The mobile home to be replaced is located in a municipality with a population of 5,000 or less in a county with a population of 50,000 or less residents;
  - c. The replacement mobile home is elevated to the base flood elevation; and
  - d. The governing body of a municipality by majority vote does not exempt the municipality from these requirements.
2. Provides an exception to the elevation requirement if the replacement mobile home chassis is:
  - a. Supported by reinforced piers; or
  - b. Other foundation elements of equivalent strength that are at least three feet in height above grade and securely anchored to an anchored foundation to resist flotation, collapse and lateral movement.
3. Maintains current statutory requirements for replacement mobile homes not located in a mobile home park or subdivision.
4. Makes technical and conforming changes.

### CURRENT LAW

A.R.S. § [48-3609](#) allows for replacement mobile homes located in a floodplain so long as the mobile home being replaced was not damaged to more than 50% of its value before the flood and the replacement is elevated to the regulatory flood elevation.

A.R.S. § [48-3601](#) defines *regulatory flood elevation* as the elevation one foot above the base flood elevation (BFE).

Under FEMA rule, mobile homes placed in flood hazard areas must be elevated so that the lowest floor is at or above the BFE and securely anchored to an adequately anchored foundation system to resist flotation, collapse and lateral movement ([44 CFR 60.3\(c\)\(6\)](#)). The BFE is the elevation floodwater is anticipated to rise during a 100-year flood.

### AMENDMENTS ADOPTED IN ENERGY, ENVIRONMENT AND NATURAL RESOURCES

1. Applies the standards for replacement mobile homes prescribed by this Act only to municipalities that have adopted a resolution to conduct their own floodplain management and adopted an ordinance that contains the standards.



# HOUSE OF REPRESENTATIVES

HB 2094

ballots; defects; notice and cure

Prime Sponsor: Representative Clark, LD 24

---

**DPA** Committee on Elections

**X** Caucus and COW

House Engrossed

---

## **OVERVIEW**

HB 2094 requires the county recorder or other officer in charge of elections (county recorder) to notify early ballot voters of ballot defects and provide the opportunity to correct these defects.

## **PROVISIONS**

1. Requires the county recorder to:
  - a. provide a method of notifying early ballot voters, at no cost to the voter, if there is a defect resulting in the rejection of the ballot from being counted;
  - b. notify early ballot voter of the option to cure the defect by 7:00 P.M. on Election Day if the early ballot is received by the Friday before the election;
  - c. make reasonable and meaningful attempts to notify and allow the voter to cure those defects resulting from incorrect or incomplete information;
  - d. tabulate the corrected ballot; and
  - e. notify the voter if their ballot was verified and counted, and if not counted, provide the reason.
2. Stipulates that the notification method must provide reasonable restriction designed to limit transmittal of information only to the voter.

## **AMENDMENTS IN ELECTIONS COMMITTEE**

1. Requires the county recorder to do the following:
  - a. process instead of tabulate the corrected ballot; and
  - b. provide the voter a method for determining if their ballot was verified and counted rather than notifying the voter and providing the reason of why their ballot was counted or not.

## **CURRENT LAW**

All elections in Arizona must provide for early voting and any qualified elector may vote by early ballot ([A.R.S. § 16-541](#)). The early ballot and affidavit must be enclosed in the self-addressed envelope and delivered or mailed to the county recorder or deposited by the voter or the voter's agent at any polling place in the county by 7:00 P.M. on Election Day ([A.R.S. § 16-542](#)).

For any person who votes a provisional ballot, the county recorder is required to provide a method of notifying the provisional ballot voter, at no cost to the voter, whether the voter's ballot was verified and counted. If the provisional ballot was not counted, the reason for not counting the ballot must be provided. The notification may be in the form of notice by mail, toll free telephone number, internet access or other similar methods and provide reasonable restrictions designed to limit transmittal of the information only to the voter ([A.R.S. § 16-548](#)).



# HOUSE OF REPRESENTATIVES

## HB 2371

postsecondary education board; exceptions; continuation  
Prime Sponsor: Representative Ackerley, LD 2

---

**DP** Committee on Government and Higher Education

**X** Caucus and COW

House Engrossed

---

### OVERVIEW

HB 2371 continues the Arizona State Board for Private Postsecondary Education (Board) for eight years and modifies a licensure exemption for certain private vocational programs.

### PROVISIONS

1. Continues the Board for eight years.
  - a. Applies a retroactive date of July 1, 2016.
2. Removes the hour and dollar threshold for the exemption of licensure when the instruction is related to hobbies, avocations, academic improvement or recreation.
  - a. Applies an effective date of July 30, 2016.

### CURRENT LAW

The Board is composed of seven members appointed by the Governor ([A.R.S. § 32-3002](#)) and is charged with licensing and regulating private postsecondary educational institutions operating vocational and degree programs. Private vocational programs are prohibited from operation, unless the operator holds a license from the Board or qualifies for an exemption. Statute provides multiple exemptions from licensure by the Board, including an exemption for schools or private instruction related to hobbies, avocations, academic improvement or recreation that may incidentally lead to gainful employment. For a program to qualify for this exemption, it must contain under 40 hours of instruction and cost less than \$1,000 ([A.R.S. § 32-3021](#)).

### ADDITIONAL INFORMATION

On November 10, 2015, the Senate Education and House of Representatives Government and Higher Education Committee of Reference recommended the Board be continued for eight years.



# HOUSE OF REPRESENTATIVES

HB 2471

technical correction; college savings plan

Prime Sponsor: Representative Ackerley, LD 2

---

**DPA** Committee on Government and Higher Education

**X** Caucus and COW

House Engrossed

---

## **OVERVIEW**

HB 2471 specifies that the scholarship and financial aid provisions do not apply to any student loan program, student grant program or other financial assistance program (program) unless established or administered by Arizona.

## **PROVISIONS**

1. Specifies that the scholarship and financial aid provisions do not apply to any program unless established or administered by Arizona.
2. Makes technical changes.

## **AMENDMENTS IN GOVERNMENT AND HIGHER EDUCATION**

Specifies that the scholarship and financial aid provisions do not apply to any program unless established or administered by Arizona.

## **CURRENT LAW**

Any program established or administered by this state must treat the balance in an account of which the student is a designated beneficiary as neither an asset of the parent of the designated beneficiary nor as a scholarship, a grant or an asset of the student for determining a student's or parent's income, assets or financial need. This applies to any state appropriated financial assistance program administered by a college or university in Arizona unless any of the following conditions exist: 1) federal law requires all or a portion of the amount in an account to be taken into consideration in a different manner; 2) federal benefits could be lost if all or a portion of the amount in an account is not taken into consideration in a different manner; or 3) specific grant establishing a financial assistance program requires that all or a portion of the amount in an account be taken into consideration ([A.R.S. § 15-1877](#)).



# HOUSE OF REPRESENTATIVES

## HB 2591

civil traffic violations; alternative service

Prime Sponsor: Representative Ugenti-Rita, LD 23

---

**DP** Committee on Government and Higher Education

**X** Caucus and COW

House Engrossed

---

### OVERVIEW

HB 2591 stipulates that a person's driving privileges are not suspended or revoked following the completion of an alternate service of process.

### PROVISIONS

1. Removes substitute service of process for photo enforcement violations.
2. Prohibits suspension or revocation of a person's driving privileges as a result of a citation issued following completion of alternative service of process.

### CURRENT LAW

A person who receives a notice of violation in the mail or municipal ordinance for excess speed or failure to obey a traffic control device obtained using a [photo enforcement system](#) does not have to do either of the following: 1) identify who is in the photo; or 2) respond to the notice of violation. The notice must state the following: 1) the notice is not a court issued document and the recipient is under no obligation to identify the person or respond to the notice; and 2) failure to respond may result in official service resulting in an additional fee being levied. In addition to other means authorized by the [Arizona Rules of Civil Procedures](#), alternative or substitute service of process must be sent by certified mail with an additional copy by regular mail and a notice posted on the front door of the business or residence and, if present and accessible, a residence garage door. Service of the complaint is complete on filing the mailing receipt and proof of posting in the court having jurisdiction of the violation ([A.R.S. § 28-1602](#)).

On notification that a person failed to appear as directed for a scheduled court appearance after service of the complaint alleging a violation the Arizona Department of Transportation is required to suspend the person's driver license or nonresident operating privilege until the person appears, the fine or civil penalty is paid or a bond is forfeited ([A.R.S. § 28-3308](#)).



# HOUSE OF REPRESENTATIVES

## HB 2309

children's health insurance program

Prime Sponsor: Representative Cobb, et al., LD 5

---

**DPA** Committee on Health

**X** Caucus and COW

House Engrossed

---

### OVERVIEW

HB 2309 eliminates the enrollment cap on the Children's Health Insurance Program (CHIP) administered by the Arizona Health Care Cost Containment System (AHCCCS).

### PROVISIONS

1. Eliminates the enrollment cap on CHIP and makes necessary conforming changes.
2. Repeals A.R.S. § 36-2985 (enrollment cap; program termination; spending limit)
3. Requires AHCCCS, within five days after the effective date, to do both of the following:
  - a. Submit to the Centers of Medicare and Medicaid Services (CMS) a state plan amendment to resume enrollment in CHIP; and
  - b. Project the enrollment rate for CHIP for the remainder of federal fiscal years 2016 and 2017 and request from CMS any additional allotment needed to resume enrollment in CHIP.
4. Contains a conditional enactment of sections A.R.S. §§36-2982 and 36-2986, respectively (children's health insurance program and administration non-entitlement; enrollment; eligibility) and (administration; powers and duties) as amended by this act do not become effective unless on or before July 1, 2017 CMS approves this state's plan amendment to resume enrollment in CHIP.
5. Contains a conditional enactment of the repeal of A.R.S. § 36-2985 do not become effective unless on or before July 1, 2017, CMS approve the state plan amendment to resume enrollment in CHIP.
6. Requires the director of AHCCCS to notify in writing the Director of Arizona Legislative Council on or before July 15, 2017 either:
  - a. Of the date on which the condition was met; or
  - b. That the condition was not met.
7. Makes technical and conforming changes.

### Amendments

#### **Committee on Health**

1. Restores A.R.S. § 36-2985 (notice of program termination; spending limitation) and provides that if the federal government eliminate federal funding for CHIP, AHCCCS must immediately stop processing all applications and must provide at least 30 days' advance notice to contractors and members that the program will terminate.
2. Removes A.R.S. § 36-2986 (administration; powers and duties of the director) from the proposal.
3. Eliminates § 36-2986 and the repeal of A.R.S. § 36-2985 from the conditional enactment.
4. Includes A.R.S. § 36-2985 in the conditional enactment.

### CURRENT LAW

A.R.S. Title 36, Chapter 29, Article 4 is the statutes related to CHIP.

### ADDITIONAL INFORMATION

The CHIP program provides health coverage to children in families with incomes between 133% and 200% of the federal poverty level, but above the levels required for the regular AHCCCS program. Beginning on October 1, 2015 CHIP will receive a 100% federal match rate through September 20, 2019. The CHIP program has had an enrollment freeze since January 1, 2010. The CHIP



program will receive a 3:1 federal match rate for the first quarter of state fiscal year (FY) 2016 and a 100% federal match rate beginning on October 1, 2015 thereafter a weighted blended FY 2016 rate of 94.48% [FY 2016 Appropriations Report](#) (see page 39).



# HOUSE OF REPRESENTATIVES

## HB 2640

appropriation; pediatric neurological autoimmune disorders  
Prime Sponsor: Representative Carter, LD 15

---

**DPA**      Committee on Health  
**DP**        Committee on Appropriations  
**X**        Caucus and COW

House Engrossed

---

### **OVERVIEW**

HB 2640 appropriates \$1,000,000 from the state General Fund (GF) in Fiscal Year (FY) 2017 to the Arizona Department of Health Services (ADHS) to provide grants for the research, diagnosis and treatment of pediatric neurological autoimmune disorders.

### **PROVISIONS**

1. Appropriates the sum of \$1,000,000 from the state GF in FY 2017 to ADHS to provide grants on a competitive basis for the research, diagnosis and treatment of pediatric neurological autoimmune disorders.
2. Requires the Biomedical Research Commission to evaluate grant applications and make award recommendations to the director of ADHS.

### **AMENDMENTS IN HEALTH COMMITTEE**

1. Removes the \$1,000,000 appropriation from the state GF and instead appropriates \$250,000 from the Disease Control Research Fund for the research of pediatric neurological autoimmune disorders.
2. Makes technical and conforming changes.

### **CURRENT LAW**

A.R.S. § 36-274 requires ADHS to administer the disease control research fund. The fund consists of monies received from the state lottery, monies appropriated by the legislature and any gifts, contributions or other monies received by ADHS. ADHS may use monies in the fund for projects or services and for applicable expenses.



# HOUSE OF REPRESENTATIVES

HB 2398

bank deposits; technical correction

Prime Sponsor: Representative Kern, LD 20

---

**DPA S/E** Committee on Military Affairs and Public Safety

**X** Caucus and COW

House Engrossed

---

## **STRIKE-EVERYTHING SUMMARY**

The proposed strike-everything amendment to HB 2398 adds mine and shell devices, firecrackers and multiple tube mine and shell devices to the definition of permissible consumer fireworks.

## **PROVISIONS**

1. Adds mine and shell devices, firecrackers and multiple tube mine and shell devices to the definition of permissible consumer fireworks.
2. Modifies the definition of *NFPA 1124* by excluding the requirement that aerial devices and audible ground devices that are being sold must be displayed for sale in an area of a store that is physically separated from the rest of the store in a manner that restricts entry by the public.
3. Makes technical and conforming changes.

## **MILITARY AFFAIRS AND PUBLIC SAFETY AMENDMENT**

The strike-everything amendment was adopted.

## **CURRENT LAW**

[A.R.S. § 36-1601](#) defines permissible consumer fireworks as ground and handheld sparkling devices, cylindrical fountains, cone fountains, illuminating torches, wheels, ground spinners, flitter sparklers, toy smoke devices, wire sparklers or dipped sticks, and other devices manufactured in accordance with the American Pyrotechnics Association. Statute excludes cap guns, snap caps, sparklers, party poppers and permissible fireworks from the definition of fireworks.



# HOUSE OF REPRESENTATIVES

HB 2621

veterans; state park; appropriation

Prime Sponsor: Representative Larkin, LD 30

---

**D/P** Committee on Military Affairs and Public Safety

**W/D** Committee on Appropriations

**X** Caucus and COW

House Engrossed

---

## OVERVIEW

HB 2621 requires the Arizona State Parks Board (Board) to establish the Veterans Memorial State Park (Park) and Veterans Memorial Fund (Fund), and appropriates \$800,000 from the state General Fund (GF) in Fiscal Year (FY) 2017.

## PROVISIONS

1. Requires the Board to:
  - a. Establish the Park, subject to the purchase of the site;
  - b. Designate a nonprofit organization to oversee Fund monies on behalf of the Board; and
  - c. Plan for the maintenance and preservation of the Park.
2. Specifies that the Board must seek to minimize use of GF monies.
3. Establishes the Fund consisting of legislative appropriations and donations.
4. Requires the Board to administer the Fund.
5. Stipulates that any monies in the Fund and any additional donations to the Fund are to be used for the purpose of purchasing land for and maintaining and preserving the Park.
6. Exempts Fund monies from statute relating to lapsing of appropriations.
7. Allows the Board to:
  - a. Work with interested parties to develop the Park,
  - b. Accept private monetary donations or public monies for deposit in the Fund, and
  - c. Enter into an intergovernmental agreement with the county in which the Park is located for the maintenance and preservation of the Park.
8. Appropriates \$800,000 from the GF to the Board in FY 2017.

## CURRENT LAW

Not currently addressed in statute.



# HOUSE OF REPRESENTATIVES

## HB 2540

prohibition; photo radar

Prime Sponsor: Representative Townsend, LD 16

---

**DP** Committee on Transportation and Infrastructure

**X** Caucus and COW

House Engrossed

---

### **OVERVIEW**

HB 2540 prohibits a local authority or state agency from using a photo enforcement system.

### **PROVISIONS**

1. Prevents a local authority or state agency from using a photo enforcement system to detect a red light or speed limit violator.
2. Repeals requirements and standards related to photo enforcement systems and makes relative conforming changes.
3. Contains a legislative intent statement.

### **CURRENT LAW**

[A.R.S. Title 28, Article 21](#) regulates the use of photo enforcement systems. Article 21 outlines (1) the definition of photo enforcement systems, (2) exemptions for first responders, (3) placement requirements of photo enforcement systems, (4) standards for photo enforcement zones and signage, (5) specifications for red light violators and (6) standards for photo enforcement systems on state highways.



# HOUSE OF REPRESENTATIVES

HB 2593

intersection; definition

Prime Sponsor: Representative Ackerley, LD 2

---

**DP** Committee on Transportation and Infrastructure

**X** Caucus and COW

House Engrossed

---

## OVERVIEW

HB 2593 expands the definition of *intersection* to include a location at a traffic control signal regardless of the distance between the sections and whether or not there are stop lines, yield lines, or a crosswalk.

## PROVISIONS

1. Includes to the definition of *intersection* a location at a traffic control signal regardless of the distance between the separate intersections.
2. States an intersection may consist of:
  - a. Two intersections and the roadway between them in the case a stop line, yield line or crosswalk is not designated between the separate intersections.
  - b. The area within the crosswalk or beyond the designated stop line, yield line or both if they are present on the roadway.
  - c. The area extending to the far side of a crosswalk designated on a roadway on the departure from the intersection.
3. Specifies an intersection does not include the junction of an alley or driveway with a roadway or highway unless the roadway or highway is controlled by a traffic control device.

## CURRENT LAW

A.R.S. § 28-601(8) defines an *intersection* as the area embraced within the prolongation or connection of the lateral curb lines, or if none, the lateral boundary lines of the roadways of two highways that join one another at, or approximately at, right angles, or the area within which vehicles traveling on different highways joining at any other angle may come in conflict. If a highway includes two roadways thirty or more feet apart, each crossing of each roadway of the divided highway by an intersecting highway is a separate intersection. If the intersecting highway also includes two roadways thirty or more feet apart, each crossing of two roadways of the highways is a separate intersection.



# HOUSE OF REPRESENTATIVES

## HB 2536

fine art; TPT exemption

Prime Sponsor: Representative Ugenti-Rita, LD 23

---

**DPA** Committee on Ways and Means

**DP** Committee on Appropriations

**X** Caucus and COW

House Engrossed

---

### OVERVIEW

HB 2536 exempts the sale of fine art at an auction or gallery to a nonresident, for use outside the state, from transaction privilege tax (TPT).

### PROVISIONS

1. Exempts the sale of works of fine art at an art auction or gallery to a nonresident, for use outside the state, from TPT.
2. Specifies that the vendor must deliver the work of fine art to a destination outside the state in order to qualify for TPT.
3. Contains a retroactive effective date of January 1, 2016.

### AMENDED IN WAYS AND MEANS

1. Strikes the retroactive effective date.
2. Contains a delayed effective date of the first day of the month in the taxable period following the general effective date.

### CURRENT LAW

TPT is imposed on a vendor for the privilege of conducting business in Arizona. Under this tax, the seller is responsible for remitting to the state the entire amount of tax due based on the gross proceeds or gross income of the business. While the tax is commonly passed on to the consumer at the point of sale, it is ultimately the seller's responsibility to remit the tax. Business activities subject to TPT include, but are not limited to: retail, restaurants and bars, hotel/motel, commercial leasing, advertising, amusements, personal property rentals, real property rentals, construction/contracting, owner/builders, manufactured building, mining, timbering, transportation, printing, publishing, utilities, communications, air/railroad, and private cars/pipelines. The current Arizona TPT rate is 5.6%. DOR collects TPT and administers distribution to the state General Fund and counties, cities and towns.

A.R.S. §44-1771 defines *work of fine art* as an original or multiple original art work which is:

- a. A visual rendition, including a painting, drawing, sculpture, mosaic or photograph.
- b. A work of calligraphy.
- c. A work of graphic art, including etching, lithograph, offset print or silk screen.
- d. A craft work in material, including, clay, textile, fiber, wood, metal, plastic or glass.
- e. A work in mixed media, including a collage or a work consisting of any combination of previously listed.



# HOUSE OF REPRESENTATIVES

## HB 2641

separate charitable contributions; tax credit

Prime Sponsor: Representative Brophy McGee, LD 28

---

**DP** Committee on Ways and Means

**W/D** Committee on Appropriations

**X** Caucus and COW

House Engrossed

---

### **OVERVIEW**

HB 2641 allows a taxpayer to receive separate tax credits for voluntary cash contributions to a qualifying charitable organization and to a qualifying foster care charitable organization.

### **PROVISIONS**

1. Allows a tax credit, not exceeding \$400 for an individual or \$800 for a married couple, for voluntary cash contributions made to a qualifying foster care charitable organization.
2. Specifies that taxpayers are eligible to receive both of the following tax credits separately:
  - a. A tax credit for contributions made to a qualifying charitable organization.
  - b. A tax credit for contributions made to a qualifying foster care charitable organization.
3. Contains a retroactive effective date of January 1, 2016.
4. Makes technical and conforming changes.

### **CURRENT LAW**

A.R.S. § 43-1088 allows a credit against the taxes imposed on voluntary cash contributions to a qualifying charitable organization, not exceeding \$200 for an individual or \$400 for a married couple filing a joint return. If the contributions are made to a qualifying foster care organization, the tax credit amount is increased to a maximum of \$400 for an individual or \$800 for a married couple filing a joint return.